

"(B) shall be furnished to individuals not later than January 31 of the calendar year following the calendar year to which such report relates

"(e) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

"(1) DESIGNATED BENEFICIARY.—The term designated beneficiary means—

"(A) the individual designated at the commencement of participation in the qualified State tuition program as the beneficiary of amounts paid (or to be paid) to the program.

"(B) in the case of a change in beneficiaries described in subsection (c)(2)(C), the individual who is the new beneficiary, and

"(C) in the case of an interest in a qualified State tuition program purchased by a State or local government or an organization described in section 501(c)(3) and exempt from taxation under section 501(a) as part of a scholarship program operated by such government or organization, the individual receiving such interest as a scholarship.

"(2) MEMBER OF FAMILY.—The term 'member of the family' has the same meaning given such term as section 2032A(e)(2).

"(3) QUALIFIED HIGHER EDUCATION EXPENSES.—The term 'qualified higher education expenses' means tuition, fees, books, supplies, and equipment required for the enrollment or attendance of a designated beneficiary at an eligible educational institution (as defined in section 135(c)(3)).

"(4) APPLICATION OF SECTION 514.—An interest in a qualified State tuition program shall not be treated as debt for purposes of section 514."

(b) CONFORMING AMENDMENTS.—

(1) Section 135(d)(l) is amended by striking "or" at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting ", or", and by adding at the end the following new subparagraph:

"(D) a payment, waiver, or reimbursement of qualified higher education expenses under a qualified State tuition program (within the meaning of section 529(b))."

(2) The table of parts for subchapter F of chapter 1 is amended by adding at the end the following new item:

"Part VIII. Qualified State tuition programs."

26 USC 529 note. (c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

(2) TRANSITION RULE.—If—

(3) a State or agency or instrumentality

thereof maintains. on the date of the enactment of this Act. a program under which persons may purchase tuition credits or certificates on behalf of, or make contributions for education expenses of, a designated beneficiary, and  
(4) such program meets the requirements of a qualified State tuition program before the later of—  
(i) the date which is 1 year after such date of enactment, or